

## WORKERS COMPENSATION

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### ABSTRACT

*In organizations, industries, factories and other production units, particularly where manufacturing of products takes place and where workers operate machines, use tools and other instruments, electric devices, mechanisms, appliances and gadgets; in these areas, a worker may accidentally get hurt or suffer an injury at work, therefore, the employers are supposed to formulate measures, norms and documentations regarding worker's compensation. When a worker suffers an injury or an illness at work, then the employers are supposed to pay the compensation to the workers such as medical expenses, benefits to the worker for the loss of work days, benefits to the family members in case of a death of the worker, temporary disability benefits and permanent disability benefits. In this research paper, the meaning and understanding of workers' compensation has been underscored. The main areas that have been included are workmen's compensation act, benefits of worker's compensation, steps followed in case any injury or illness is suffered, worker's compensation fraud, criminal and civil penalties and hospitals, insurance and conditions. Workmen's compensation benefits provide the required assistance to the workers as well as their family members; when a worker has suffered an injury, certainly he is not able to resume his work, but the worker's compensation benefits enable him to recuperate and keep up his self-discipline and will power.*

**Keywords:** Workers' Compensation, Injury, Illness, Job, Employer, Insurance

### INTRODUCTION

When a worker gets injured or hurt at the job, then his/her employer is required by law to pay for worker's compensation benefits. The rationale of this article is to provide researchers and practitioners with information to widen their perspective of the meaning of worker's compensation, workers' compensation benefits, relevant aspects of the compensation, and the potential uses of that information for public health purposes. Workers' compensation insurance has been ascertained in all organizations and regions to provide income protection, medical treatment, and rehabilitation for employees who are injured or become ill as a result of work duties. Workers' compensation claims and medical treatment documentations along with other information resources have been used to accomplish occupational safety and health research and observation and to recognize involvement requirements (Utterback, Meyers & Wurzelbacher, 2014).

The financial and community burden of occupational injuries and illnesses suffered by the workers can only be approximately estimated. Doubts and uncertainties arise due to many reasons that include: first, workers receive only a segment of the regular wages through workers'

compensation; second, work-related illnesses are normally not compensated; third, medical treatment costs for most of the job-related injuries are paid through insurance; fourth, insurance data are fragmented; and fifth, data are safeguarded for proprietary and personal identification purposes. Medical records for workers' compensation cases can provide more information about the degree and severity of the wound occurred and in addition to it the identification information about the injured workers such as gender, age, race/ethnicity, and other chronic health conditions that may intensify the injury. Workers' compensation medical records also recognize the disabilities that are the outcomes of the occupational injuries or ill health and billing records can contain information on management and costs for the medical portion of the claims (Utterback, Meyers & Wurzelbacher, 2014).

### **WORKMEN'S COMPENSATION ACT, 1923**

There was initiation of an act concerning the worker's compensation and this act is known as the workmen's compensation act. The following are the characteristics of this act (Workmen's Compensation Act, n.d.).

It is applicable to the whole of India, it came into force on the first day of July 1924; there are definitions in this act unless there is anything revolting in the subject matter or context. [Clause (a) omitted w.e.f. 1-6-1959.]

- (a) Commissioner means a Commissioner for Workmen's Compensation appointed under section 20.
- (b) Compensation means compensation as provided for by this act.
- (c) Dependent means any of the following relatives of a deceased workman namely
  - (i) A widow, a minor legitimate or adopted son, an unmarried legitimate or adopted daughter or a widowed mother and
  - (ii) If entirely dependant on the earnings of the workman at the time of his death, a son or a daughter who has reached the age of 18 years and who is unwell.
  - (iii) If completely or in part dependant on the earnings of the workman at the time of his death-
    - (1) A widower.
    - (2) A parent other than a widowed mother.
    - (3) A minor illegitimate son an unmarried illegitimate daughter or a daughter legitimate or illegitimate or adopted if married and a minor or if widowed and minor.
    - (4) A minor brother or an unmarried sister or a widowed sister if a minor is a widowed daughter-in-law.
    - (5) A minor child of a pre-deceased son.
    - (6) A minor child of a pre-deceased daughter where no parent of the child is alive or
    - (7) A paternal grandparent if no parent of the workman is alive.

## BENEFITS OF WORKER'S COMPENSATION

The following are the benefits of worker's compensation: (Time of Hire, 2014).

1. Medical Care - The employer provides compensation to the workers to help them get better from an injury or illness caused due to work. Doctor visits, hospital services, physical therapy, lab tests and x-rays are some of the medical services that may be provided; these services are essential to treat the injuries or impairments of the worker. There are limitations on some services such as physical and occupational therapy and chiropractic care.
2. Temporary Disability Benefits – These are the benefits that a worker gets who is unable to work his normal job duties due to the injuries or the illness that he has suffered; the amount that a worker may get is up to two-thirds of the wages. The minimum and maximum payment limits are established by the state law. The workers are paid after a gap of few days (normally two weeks) for the temporary disability benefits. For most of the injuries, payments may not exceed 104 weeks within five years from the date of injury. Temporary disability (TD) terminates when the workers return to work, or when the doctor grants permission that the worker may return to work, or states that he can work without any kind of problems.
3. Permanent Disability Benefits – These are the benefits that a worker gets when he does not recover completely from the injuries and the illness suffered. The amount of payment is based upon the medical reports of the doctor, the age of the worker and the occupation of the worker. The state law establishes the maximum and the minimum weekly payment rates.
4. Supplemental Job Displacement Benefits – These are the benefits that a worker is entitled to get when he has suffered permanent disability. He can use these payments for retraining or skill enhancement at an approved educational institution, training center, to obtain a license or a certificate. The payment is used in the form of certification fees, for books, tools, instruments and so forth. When the employer does not provide to the workers modified, normal or substitute work and after the worker has made complete recovery then he gets entitled to these benefits.
5. Death Benefits – When a worker dies at the time of performance of work duties then these benefits are paid to the spouse, children or other dependents of the family, or if he dies due to work related illness, disease or infection. The amount of payment is based upon the number of dependents. In addition to these payments to the family members, the workers' compensation provides a burial allowance.

## STEPS FOLLOWED BY THE WORKERS INCASE OF WORK RELATED INJURY OR ILLNESS

A four step procedure has been stated that workers should follow in case they suffer any kind of injury or illness during work: (Workers' Compensation, n.d.).

1. **Get Medical Assistance** - By law, the employer is entitled to pay for all required medical services that are essential to treat or mitigate the effects of the injury or illness. Where it is compulsory, the employer must also pay for physical, mental, or vocational rehabilitation, within recommended limits. The employee may select two physicians, surgeons, or hospitals. If the employer notifies the employee that it has an agreed Preferred Provider Program for workers' compensation, the PPP is considered as one of the two options of the contributors.
2. **Notify Your Employer** – The worker is required to inform his employer of the accidental injury or illness within maximum of 45 days, either orally or in writing. The written information should include his name, address, telephone number, and a brief description of the injury or illness. In case of severe injury or illness, the employer should be informed immediately in order to avoid the possible delay.
3. **Learn the Rights** - The employer is required by law to report accidents that result in more than three lost working days to the Workers' Compensation Commission. Once the injury is accounted, the employee should receive a handbook that explains the rules, advantages, and methods. If a worker loses his working days to recuperate from the wound or illness, then he may be entitled to receive weekly payments and the essential medical care until he is able to return to work and is able to perform the job duties well. It is against the law for an employer to annoy, discharge, and refuse to rehire or in any manner discriminate against an employee for exercising his or her rights under the Workers' Compensation Acts.
4. **Keep Within the Time Limits** – When a worker has suffered an injury or an illness at the time of work, then it is vital that his life be saved, he should be able to earn a living for himself and his family, therefore, keeping within the time limits of giving compensation, helping him to recover and providing him medical assistance is imperative. For the employer and for the worker it is important to maintain the required time limits. Claims are normally filed within the time period of three years of the injury or a hurt suffered from the occupational disease or within two years of the last worker's compensation payment, whichever is later.

## **WORKER'S COMPENSATION FRAUD, CRIMINAL AND CIVIL PENALTIES**

A person shall be accountable of a compensation fraud, criminal and civil penalties when making a claim for benefits through provision of a false or ambiguous statement, representation or submission concerning any fact that is material to that claim for the intention of deceptively obtaining the benefits. When making a false or misleading statement, representation or submission, including a misclassification of employees, or getting engaged in a deceptive leasing practice, for the purpose of escaping the full payment of benefits or premiums and even adopting acts of intimidating, imploring or encouraging a person to make a counterfeit or misleading statement; illustration or compliance concerning any fact that is a matter to a claim for benefits or the payment of benefits or premiums, for the main objective of wrongfully obtaining the benefits or of evading the full payment of the benefits or premiums (Workers' Compensation Law, 2013).

In organizations, these misleading practices do take place when workers are in requirement of funds, then they do adopt means such as compensation fraud, criminal and civil penalties. Using these deceptive measures enable the workers to undergo dire consequences when they are caught. They lose their jobs, they are encouraged to pay hefty fines and they even face judicial penalties. Fraud and criminal acts should be avoided by the workers if they intend to retain their jobs and their professions. Making money wisely is highly beneficial to the workers in all manners and deceit, unlawful, immoral and illicit acts would inflict ominous effects upon the workers.

## **HOSPITALS, INSURANCE AND CONDITIONS**

With regards to any group of employers authorized by the state as hospitals or medical institutes who implement a plan for self-insurance for the payment of compensation to their employees, the following are the conditions that are applicable: (Fishback & Kantor, 2000).

1. Under a group plan, the group is expected to understand the liability of all the employers within the group under the terms of a trust agreement approved by the commissioner, and grant all the compensation payments for which the employers are liable under Title 34 of the Revised Statutes.
2. When making a submission to the commissioner for authorization to institute a group plan for self-insurance, the group should present a suitable proof to the commissioner of its financial ability to pay the compensation benefits for the employers who are members of the group, including a statement of the group's progress, their basis, and declaration for their continuation.
3. If necessitated by the commissioner, the group is entitled to deposit with the commissioner such types and amounts of securities or security bonds as the commissioner considers compulsory to provide assurance that such benefits as are payable by the group will continue to be paid and that the group will meet its statutory requirements.

4. The commissioner may necessitate the group to organize any and all contracts, deals, and such other relevant documents that may be considered essential relating to the organization of the employers in the group.

5. Each group self-insurer, in its claim for self-insurance should identify the names and addresses of each of its officers, directors, trustees, and general managers. The officer, director, trustee, or employee of the group self-insurer is not supposed to signify or contribute directly or indirectly on behalf of an injured worker or his dependents in any workers' compensation proceeding.

## DISCUSSION

Workers' compensation benefits covers nearly all the workers who are engaged in jobs and grants those who are injured or become ill as a result of work with medical treatment, a part of lost wages, and a lump sum for some permanent impairments. However, there are restraints to performing research studies that are based on workers' compensation records since not all injuries and illnesses effect in claims being filed. Additionally, the data that are accumulated are not enthusiastically amalgamated if acquired from several sources since conditions vary substantially between different organizations and regions.

Occupational safety and health research and observation are essential for the prevention and control of injuries, impairments and hazards that arise within the workplace. Research and surveillance can fill the spaces in knowledge about where risks exist and what kinds of involvements are efficient at preventing workplace injuries, illnesses and fatalities. Workers' compensation insurance records are a reserve used for these major prevention purposes. In addition, workers' compensation records may be used for early discovery of health products in populations of workers which is part of secondary prevention; they may also be used to help recognize useful medical treatment which is part of tertiary prevention.

In organizations, industries and production and manufacturing units, the workers should be provided with adequate training and efficient knowledge regarding how to get involved into production, how to operate the machines and be cautions of all the risks and hazards that might take place as a result of bursting of pipes, cylinders and accident prone areas. The employers as well as the employees do take precautions and work vigilantly, but there are mishaps that occur misguidedly, therefore, worker's compensation norms and schemes should be efficiently formulated so that the workers and their families are benefitted. In case of any impairments or illnesses, the workers are required to immediately inform the employer, get medical assistance, be cautious of the time limits and be aware of their rights. It might happen within an organization that a worker may adopt false, misleading, criminal and unlawful practices in order to acquire worker's compensation claim from the employer, these illegal acts may certainly inflict dismal effects upon the workers and their families and these acts should be avoided. The worker's compensation benefits include the temporary disability benefits, permanent disability benefits, death benefits and supplemental job displacement benefits. Workers' compensation benefits



provide the essential assistance to the workers who have suffered an injury or an illness at work and help them as well as their families recuperate.

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